MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2005

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? __X__ Yes ____ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Type of auditors' report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) Circular A-133? __X__ Yes ____ No

Identification of major programs:

Federal programs	Federal CFDA No.
U.S. Department of Housing and Urban Development:	
Community Development Block Grant/Entitlement Grant	14.218
Empowerment Zone Program	14.244
U.S. Department of Health and Human Services:	
Child Support Enforcement	93.563
Refugee & Entrant Assistance State Administered Program	93.566
Child Care and Development Block Grant passed through Early Learning Coalition of Miami-Dade/Monroe	93.575
U.S. Department of Homeland Security:	
State Domestic Preparedness Equipment Support Program	97.008
Disaster Grants – Public Assistance	97.036

Dollar threshold used to distinguish between type A and type B programs: $3,000,000

Auditee qualifies as low-risk auditee: ____ Yes __X__ No

(Continued)

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

September 30, 2005

State Financial Assistance

Internal control over major projects:

- Material weakness(es) identified? ____ Yes __X__ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*? ____ Yes __X__ No

Identification of major projects:

State projects	State CSFA No.
Florida Department of Environmental Protection:	
Local Government Cleanup Contracting	37.024
Ambient Air Monitoring Agreement	37.042
Storage Tank	N/A
Florida Department of Agriculture and Consumer Services:	
Transfer to Local Government – Restore Tree Canopy	42.012
Florida Department of Transportation:	
Seaport Grants – Gateway Complex	55.005
Seaport Access	55.015
Florida Department of Juvenile Justice passed through Dade Community Foundation:	
Juvenile Assessment Center	80.020

Dollar threshold used to distinguish between type A and B projects: $786,597

Section III **Federal Award Findings and Questioned Costs**

Finding

2005-01 **U.S. Department of Housing and Urban Development:**
Community Development Block Grants/Entitlement Grants (CFDA #14.218)
Grant Numbers B-04-UC-12-0006 and B-05-UC-12-0006

Criteria – Matching, Level of Effort, Earmarking

24CFR 570.201(e)(1) Public Service includes requirements that specify the minimum and/or maximum amount or percentage of the program's funding that must/may be used for specified activities, including funds provided to subrecipients. The County shall comply with such requirement.

Condition Found

We noted that the County was in violation of 24CFR 570.201(e)(1) Public Service, which in part states; the amount of Community Development Block Grant funds used for Public Service shall not exceed 15% of each grant plus 15% of the program income. The County exceeded the 15% cap by 10.58%, or $2,404,393.

Questioned Costs

$2,404,393

Perspective

The finding is considered systemic in nature.

Effect

Failure to accurately budget and monitor expenditures related to Public Service resulted in the County exceeding the maximum allowable reimbursement amount which is capped at 15%.

Recommendation

The County should enhance its policies and procedures in order to monitor expenditures allocated to Public Service in order to ensure that the amounts do not exceed the cap of 15%.

Management's Response

Management concurs with the recommendation and will more closely monitor expenditures allocated to Public Service to ensure that the amounts do not exceed the cap of 15%. To specifically address the FY 2005 expenditures that exceeded the 15% cap of expenditures related to Public Service, management has evaluated and is considering a swap of General Fund dollars for county departments and state agencies CDBG funds for eligible non-public service activities and/or a recapture of funds from agencies in entitlement cities that do not serve a majority of clients from the County's entitlement area or perform limited clientele activity identified as a high priority need in the FY 2003 – 2007 Consolidated Plan.

Finding

2005-02 **U.S. Department of Housing and Urban Development:**
Community Development Block Grants/Entitlement Grants (CFDA #14.218)
Grant Numbers B-04-UC-12-0006 and B-05-UC-12-0006

Criteria – Subrecipient Monitoring

A pass-through entity is responsible for the during-the-award monitoring of the subrecipient. Monitoring the subrecipient's use of Federal awards may be through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. The County shall have appropriate policies and procedures in place to perform monitoring and follow-up on findings.

Condition Found

During our audit, we noted that the County did not appear to follow up on all deviations from contract terms by the subrecipients on a timely basis. Specifically, 18 of the 30 subrecipients selected did not have documentation of site visits or other during-the-award monitoring during fiscal year 2005 as stipulated by the grant agreement.

Furthermore, we noted that 5 of the 30 subrecipients selected for testwork did not provide documentation to support compliance with the environmental certificate or an exclusionary environmental memorandum. There was no indication of follow-up by the County.

Questioned Costs

None.

Perspective

The finding is considered systemic in nature.

Effect

The County is not in compliance with regards to the documentation required for subrecipient monitoring.

Recommendation

We recommend that the County develop and implement policies and procedures to help ensure that the appropriate subrecipient monitoring is conducted and documented. Further, such documentation should be retained in order to comply with the grant agreement.

Management's Response

Management concurs with recommendation and will implement a procedure that will require the Office of Community and Economic Development's (OCED) Contracts Management and Monitoring Staff to review subrecipient files to ensure that they contain the required subrecipient

monitoring documentation. Additionally, the OCED staff has developed a chart to track and monitor subrecipient reporting.

Finding

2005-03 **U.S. Department of Housing and Urban Development:**
Community Development Block Grants/Entitlement Grants (CFDA #14.218)
Grant Numbers B-04-UC-12-0006 and B-05-UC-12-0006

Criteria – Subrecipient Monitoring

A pass-through entity is responsible for subrecipient audits – (1) Ensuring that subrecipients expending $300,000 ($500,000 for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133, as revised) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period, (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report, and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

Condition Found

During our audit, we noted that the County did not appear to follow-up on all deviations by the subrecipients on a timely basis. Specifically, one subrecipient did not comply with the requirements of OMB Circular A-133 by providing the County with a copy of their single audit report for fiscal year 2005. There was no documentation to indicate that the County took appropriate action in this case.

Questioned Costs

None.

Perspective

The finding is considered systemic in nature.

Effect

The County is not in compliance with regards to the documentation of appropriate follow-up on subrecipient monitoring.

Recommendation

We recommend that the County develop and implement policies and procedures to help ensure that the appropriate subrecipient monitoring is conducted and documented. Further, such documentation should be retained in order to comply with the grant agreement.

Management's Response

Management concurs with recommendation and will implement a procedure that will require the Office of Community and Economic Development's (OCED) Contracts Management and Monitoring Staff to review subrecipient files to ensure that they contain the required subrecipient

monitoring documentation. Additionally, the OCED staff has developed a chart to track and monitor subrecipient reporting.